

Microsoft Memo

*Please Read This !!
pgs 2-3*

*cc Josley
Richards
Markche
Phillip
Tomlin*

TO: Steve Bailmer, Jon Shirley, Jeremy Butler, Michael Cooper,
Paul Maritz, Russ Werner, Adrian King, Chris Smith

FR: Bill Gates

DATE: Feb. 8, 1989

RE: International Reviews Systems Notes

Cc: Joachim Kempin, Mike Maples, Rob Glaser, Bob O'Rear

1. Olivetti

I heard over and over again that people are looking at UNIX as the standard for operating systems, including Intel architecture office automation. The benefit is that it is perceived as being open, the new standard and running on everything. Olivetti is a good example. Why should they help us with OS/2? We deliver the BAK to them so late that combined with their own process they end up well over 6 months behind IBM that makes them look bad—they can't influence it and they can't get EE. With UNIX they have a consistent strategy for their LX/3000 minicomputer line based on UNIX. They aren't going to change the LX/3000 away from UNIX, so it simplifies things for them to use UNIX on all the Intel architectures. It is easier for them to add value on UNIX the way they already have. Add to all of this that OS/2 costs them a lot more money and the best they can do is break even on it. The net result is that our current policies assure that whatever influence OEMs have will be moving things in the direction of UNIX. For example, Olivetti's office applications have to run on single-user UNIX graphics workstations—that is a requirement that they have made. We are going to have to make some changes to make OEMs interested in helping with OS/2. They include: providing whatever it takes to let them ship when IBM does; giving them some economic incentive to promote OS/2 during these key years; requiring some specific promotional activities in order to license; allow them to get source; allow them to add more value; explain how it works together with UNIX. This is all going to be very hard. Our OEM and Systems groups will have to come up with new ideas and be more marketing oriented.

We often plan to work with Olivetti. However, the results make them feel like we don't care about the relationship. We promised them we would involve them on a key project and said it would be OS/2 for the N10. What have we done? We have to come up with a plan to work with architecture people (like Motorola) and our key OEMs like Olivetti, Nokia and Bull. Olivetti will put the OS/2 N10 people on UNIX or they may already have done so.

Olivetti is confused about OPC, and I can understand that. I will work on getting our story worked out in this area if the above problems can be solved.

CONFIDENTIAL

X155955

Microsoft

Plaintiff's Exhibit

5026

Comes V. Microsoft

RBC 001280

2. BAK delays

I need to know what it is we do to create a BAK. Why is it needed? If there is code cleansing, why is that? What requirements are we trying to meet that the IBM binary does not meet—it allows device drivers to be added very easily for things like special disk and tape backups just by using the end-user copy. I am not interested in people defending themselves—just telling me how they will solve this problem. If it takes a change to the way we work with IBM, let me know exactly what that is.

3. Rom DOS

We miss out on opportunities for selling ROM DOS throughout the world. Only Japan has decided to work with customers to actually create a good product for embedded markets. I should have done this a long time ago. Italy mentioned it specifically as an opportunity with 2 parts—ROM based and some industrial scheduling simple additions. Let's get our worldwide act together on this. Additionally, who in Russ' organization will care about this?

← MARK

4. UNIX - Position Paper

Our subs don't know what to say about UNIX. I will take a pass at writing a paper on this and get it reviewed and distributed widely. Key reviewers will be Steveb and Paulma. Particularly important for Europe and with a possibility of us strengthening the SCO relationship.

5. Nokia - Joint Work/Unix

Nokia wants to do joint work with us. They think they did the remote boot work for OS/2. Will we take advantage of this? They think they did the ring 3 DLC. They want more opportunities to do good technical work. Their engineers have a real UNIX bias, but Perti has a huge bias towards OS/2. He needs to get his engineers helping on OS/2 to overcome this.

CONFIDENTIAL

← DDY

6. Windows International Chars, Printer Drivers, International Characteristics (Franz Rau)

Apparently there are a set of features in Windows 3 that International is asking for having to do with resources to describe sorting, currency and some other things. If we do these things we will be as good as the Macintosh is in this area. If we are doing all of it—great, if not, someone should run the tradeoffs by me so I can understand. Another key point for Windows is that our fonts don't include the international characters, and we don't test our printers with international characters. Both of these should be easy to fix and are important to do here at headquarters. Russ - please make sure you have gone over everything Franz wants in these areas and make an explicit decision to do it or not.

Send (F+F)
says - [unclear]
hoff

X155956

→ Intel Puddle
→ control panel support
→ [unclear]

7. OS/2 Marketing - Books, Explanation

One of the ideas in Scandinavia is to distribute Gordon's book to a lot of people. We need to build "enthusiasm" for the product. I think a closer relationship with IBM, some presentations based around getting all the character applications done, promotion to universities, position papers, etc. all need to be done.

8. 3Com in Europe

If we have a big problem with 3Com, it is worse in Europe. They are weak. It is interesting that Novell is also weak. If there is a geography that we should do packaged product in, it is Europe. It will take people to do it, but it should be done. I am less clear on the US. If we could figure out how to complement Compaq's effort I would feel better about it. I wonder how long it would take to hire the people, and if there isn't some quick bootstrap.

9. Ashton-Tate in Europe

Ashton-Tate is not nearly as weak in Europe as 3Com. However, to make this relationship work, it would be important for a very high-level Microsoft person to go around with a high-level Ashton Tate person and talk to the Ashton-Tate people about the relationship, the product and its importance. This is necessary to make this relationship work in Europe.

10. Bull

Bull is waiting excitedly to hear when we start working on security together. They have most of their engineers working on UNIX but they want to have at least a small team working with us. They have been waiting for a long time. They want to know if we are really serious. Unisys was out seeing them making a UNIX pitch very strongly (Paul Ely of Convergent Technologies who, of course, now works for Unisys). I had no idea what to say to Bull about this security work.

11. DR DOS

I want to make sure we get the message implemented in all of our product. Languages are important. Windows is important. Applications are important. How can we spread the message about getting this done including the localized versions? (I guess we have to localize this message.) Russ—please let me know your action plan for this

Russ

12. SQL Server

CONFIDENTIAL

Meeting with Nokia made me realize we are weak with this product. Even ignoring our lack of international support, we don't have any advantages we are able to sell. People want the same SQL engine on UNIX platforms as they have on OS/2. We have no reasonably priced way of providing that, and people have preexisting relationships. We don't have a credible story on SAA support. They had looked at Gupta and the internal people felt it was substantially better in size and as good or better in speed. Apparently RTI/Ingres is going around offering very aggressive prices including X-based graphical tools for forms and queries.

X155957